

## Mexico's Mining Industry - Guanajuato Silver District

Compiled by Caleb Whitaker, Associate Editor, *WorldWide Drilling Resource®*

Mexico is the world's leading producer of silver, and is known as a major destination for companies seeking mineral exploration. The country's rich mining history spans almost 500 years.

During colonial times, nearly one-third of all the silver mined in the world came from the Guanajuato region of Mexico. Colonial mining began when European techniques of production were introduced to help meet the European demand for metals. Vast amounts of gold and silver quickly started flowing into the Spanish treasury from Mexican mines.



Washing ore-Silver mine-Guanajuato

Courtesy of DeGolyer Library,  
Southern Methodist University.

El Oro, located near Mexico City, was discovered in 1521, developed to a great extent by 1530, and mined regularly with some interruptions for about 400 years. During this period, over 5 million ounces of gold were extracted.

In 1550, bedrock deposits of the great silver-gold vein system of the Veta Madre at Guanajuato were discovered. Eight years later, an impressive epithermal vein with silver deposits was found. This triggered a period of mass exploration in the region

and the beginning of Mexico's reign as the world's premier silver producer.

By the mid-18th century, Guanajuato was the world's leading silver district. The La Valenciana mine, which began production in 1774, was once the largest silver-producing mine in Mexico, providing 25% of the world's silver.

Today, visitors can descend down the mining shaft in tunnels which were blasted out by dynamite. At the bottom of the stairs, the mining passage is lit with dim lighting to recreate the poor candle lighting experienced by the miners. The passage ends in a large cavern with present-day drill equipment, and the walls display signs of the silver ore. There are two very small passages leading on further into the mining network. From this point on in the mine, miners had to crawl in a near pitch-black setting.

The remainder of the mining complex has been restored to how it was during the 17th century, with mining tools and equipment on display. The office has been recreated with ledges and details of the mining operations. One unique sight is a miner whose body has been mummified. The coffin is open for all visitors to view.

In the late 19th century, the mining industry in Mexico expanded. In 1884 and 1892, the Mexican mining law was reformed and the old Spanish mining codes were changed. This resulted in landowners being granted subsoil ownership (mineral rights). The consequences of these changes broke the historic stronghold of Spaniard and European mining owners, allowing for new North American-based companies to begin forming in Mexico.

As a result, mining was revived and major oil fields were also discovered. Exports and national income increased, while new industries sprung up.

Pinguico mine was another of Guanajuato's gold and silver producers. The mine was in production from 1908-1913, and reportedly produced more than 2 million ounces of



Photo of old tools for the trade of silver,  
courtesy of Valenciana Mine, Guanajuato Mine Guide -  
GuanajuatoMexicoCity.

silver within a 16-month period from 1908-1909. That production rate was maintained until the mine was forced to close in 1913 due to a national conflict, which went on to become the Mexican Revolution.

Today, Guanajuato is still one of Mexico's principal silver-producing states. This is due to it hosting parts of three mineral-rich geographic formations: the Sierra Madre Oriental, the Trans-Mexican Volcanic Belt, and the Mexican Plateau. The region has produced an estimated 1.2 billion ounces of silver and 5-6 million ounces of gold.

The Guanajuato Silver District is experiencing a resurgence in activity with Canadian resource companies looking to capitalize on the opportunities yet to be discovered. Vangold is looking to complete a preliminary economic assessment on the El Pinguico project within the next year. It will include data from a Phase 2 drill program targeting the lower El Pinguico vein extension located below the old workings of the El Carmen and El Pinguico mines.

Even after five centuries, opportunity remains. Investment, particularly in gold and silver, is expected to fuel an increase in Mexico's mining industry value from \$15.7 in 2016 to \$17.8 billion by 2020.

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